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DIVISION OF CONSUMER ADVOCACY  
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SI/DA  
LYK/WT

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

PUBLIC UTILITIES  
COMMISSION

2007 JUL 10 P 3:44

FILED

In the Matter of the Application of )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
Approval of Rate Increase and Revised Rate )  
Schedules and Rules. )

DOCKET NO. 2006-0386

**DIVISION OF CONSUMER ADVOCACY'S**  
**EIGHTH SUBMISSION OF INFORMATION REQUESTS**

Pursuant to an informal agreement between the parties, the Division of Consumer Advocacy submits its **EIGHTH SUBMISSION OF INFORMATION REQUESTS** in the above docketed matter.

DATED: Honolulu, Hawaii, July 10, 2007.

Respectfully submitted,

By Cheryl S. Kikuta  
CHERYL S. KIKUTA  
Utilities Administrator  
DIVISION OF CONSUMER ADVOCACY

**DOCKET NO. 2006-0386**

**HAWAIIAN ELECTRIC COMPANY, INC.**

**EIGHTH SUBMISSION OF INFORMATION REQUESTS**

**INSTRUCTIONS**

*In order to expedite and facilitate the Consumer Advocate's review and analysis in the above matter, the following is requested:*

1. For each response, the Company should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, the Company should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by the Company to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, Company instructions, or any other relevant authoritative source which the Company used.
4. Should the Company claim that any information is not discoverable for any reason:
  - a. State all claimed privileges and objections to disclosure;

- b. State all facts and reasons supporting each claimed privilege and objection;
- c. State under what conditions the Company is willing to permit disclosure to the Consumer Advocate (e.g., protective agreement, review at business offices, etc.); and
- d. If the Company claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that the Company claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).

**DOCKET NO. 2006-0386**

**HAWAIIAN ELECTRIC COMPANY, INC.**

**EIGHTH SUBMISSION OF INFORMATION REQUESTS**

**Witness T-6 Mr. A. Giovanni.**

CA-IR-486

**Ref: Response to CA-IR-339, part (c), (Security Fees).**

Please provide the following information regarding HECO security services costs for 2007:

- a. State what is meant by "HECO's security contractor has been experiencing a staffing shortfall."
- b. Explain all reasons why "HECO fully expects that its security contractor will meet its contract obligations and that the funds for security services, as estimated, will be spent in 2007."
- c. Explain how actual security staffing has differed from budgeted levels to date in 2007.
- d. Provide an update to Attachment 3 with actual spending up through June 2007.

CA-IR-487

**Ref: Responses to CA-IR-240, CA-IR-241, and CA-IR-242 (Generating Station Priority List).**

Please provide an updated estimate of actual year to date and projected total 2007 spending on each generating station priority list

line item with supporting narrative for each change relative to test year projected amounts for each line item.

CA-IR-488

**Ref: June 2007 Update, HECO T-6, Response to CA-IR-244, page 4 (Excluded Overhaul Expenses).**

According to the response to CA-IR-244 at page 4, "The exclusion of the HP/LP steam turbine major overhaul expenses in the 2007 budget for these three units was an oversight." On page 3, the same response states, "...if revisions to individual expense items are proposed by other parties based on actual 2007 conditions, HECO may propose revisions to other items (such as overhaul expenses) based on actual 2007 conditions (see response to CA-IR-240)." In its June 2007 update, HECO is not proposing any revision to "overhaul expenses." Please provide the following information:

- a. Provide all analyses, workpapers, studies and other information relied upon to conclude in CA-IR-244, part (c), that, "In general, HECO's position is that Other Production O&M expenses, in total, as presented in HECO T-6, represent a reasonable, on-going level of expenses for the 2007 test year."
- b. Confirm that the detailed calculations supporting the expense amounts associated with the "oversight" associated with exclusion of steam turbine overhaul expenses, as

referenced in your response to CA-IR-244, part (f), are included as Attachment 4 to your response to CA-IR-240, or provide corrected and updated calculations as necessary.

- c. Explain how the "Other Production O&M expenses, in total, as presented in HECO T-6" can represent a "reasonable ongoing level of expenses for the 2007 test year," given the amounts omitted for normalized overhaul activities as stated in Attachment 4 to CA-IR-240.
- d. State with specificity which elements and what expense amounts of the "Other, lower priority discretionary work that was included in the 2007 budget will be deferred as an offset (or partial offset) for the work that will be performed," as stated at CA-IR-244, page 4.

**Witness T-10 Ms. Nanbu.**

CA-IR-489

**Ref: HECO T-10 Responses to CA-IR-275 and CA-IR-363 (ITS Costs).**

In response to part (a) of CA-IR-363, the Company provided additional information regarding the \$190,000 included in the 2007 forecast for enterprise software maintenance fees. This response indicated, in part, that the actual 2007 expenses are expected to exceed \$190,000. The Company listed actual expenses through June 2007, including: "Business Objects

Licenses (2)" of \$82,352 and "Business Objects Maintenance (2)" of \$14,630. Please provide the following:

- a. Please describe the specific services covered by these payments.
- b. Please provide a copy of the related agreements.
- c. Please provide the date of each payment.
- d. Please provide the term of the service period to which each payment relates.

CA-IR-490

**Ref: HECO T-10 Responses to CA-IR-275 and CA-IR-363 (ITS Costs).**

In response to part (a) of CA-IR-363, the Company provided additional information regarding the \$190,000 included in the 2007 forecast for enterprise software maintenance fees. This response indicated, in part, that the actual 2007 expenses are expected to exceed \$190,000. The Company also provided a detailed listing of the Websphere software maintenance expense (totaling \$116,904) HECO will incur during the remainder of 2007.

Please provide the following:

- a. With regard to the reference to "recurring" charges for interchange processors, integration servers and adapters, are the items listed annual lease fees, maintenance related consulting fees, or equipment purchase prices? Please explain.

- b. Please explain why the "discounted prices" are consistently higher than the "last paid" prices.
- c. How were the "discounted prices" determined (e.g., from a contract price list, vendor invoice, vendor agreement, etc.)?
- d. Please provide a copy of the source document identified in response to part (c) above.
- e. Please provide the term of the service period to which each of these June 30, 2007 payments relate.

CA-IR-491

**Ref: HECO T-10 Responses to CA-IR-275 and CA-IR-363 (ITS Costs).**

In response to part (b) of CA-IR-363, the Company provided additional information regarding the \$142,000 included in the 2007 forecast for additional third party software maintenance fees. The Company indicated that such maintenance fees are now expected to exceed \$142,000, due to a contract HECO expects to sign shortly to purchase Reports Management System software for \$161,000 with annual maintenance in future years of approximately \$30,000. Please provide the following:

- a. Is the \$161,000 actually for a software purchase or a lease? Please explain.
- b. Please provide a breakdown of the \$161,000 purchase price, by component or element.



- c. Please provide the term of the service period (or expected software life) to which the \$161,000 purchase relates.
- d. Does the Company anticipate capitalizing or expensing any portion of this purchase price? Please explain.
- e. Please describe the functionality and application of the Reports Management System software.
- f. Please explain and clarify how the \$30,000 annual maintenance in "future years" relates to the \$161,000 purchase price.
- g. Does the \$161,000 contain a maintenance component for an initial term year or period? Please explain.

CA-IR-492

**Ref: HECO-1019 & T-10 Response to CA-IR-370 (Abandoned Projects).**

Please update HECO-1019 to reflect actual abandoned project costs for calendar year 2006.

**Witness T-16 Mr. Morikami.**

CA-IR-493

**Ref: HECO Response to CA-IR-390 (Plant Additions - Transformers).**

CA-IR-390 identified and sought additional information on six (6) new construction projects expected to be completed during 2007 that were not included as 2007 additions in HECO's original test year forecast. Projects P0001396 and P0001401 involve the

purchase of substation transformers, both of which were approved in the first quarter of 2007. The PIF documentation for each project, supplied in Attachment 1 to the referenced response, indicates that the time required to obtain new transformers is 56 weeks. Please provide the following:

- a. Please explain how project approval can be obtained in the first quarter of 2007 and HECO can record the transformers as a 2007 plant addition, when the lead time is 56 weeks.
- b. Attachment 2 of the response to CA-IR-390 is a 2005 HECO distribution transformer presentation. At page 3 the typical wait time for a new transformer ranges from 22-26 weeks. Please explain and reconcile this range with the 56 weeks referenced in part (a) above.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S EIGHTH SUBMISSION OF INFORMATION REQUESTS** was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21(d).

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Counsel for Department of Defense

DATED: Honolulu, Hawaii, July 10, 2007.

*Devin Spohn*